

Message Text

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ACTION AF-06

INFO OCT-01 OMB-01 ISO-00 ABF-01 FS-01 TRSE-00 AGR-05

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FM AMEMBASSY CONAKRY

TO SECSTATE WASHDC 0602

AMEMBASSY PARIS

INFO AMEMBASSY ABIDJAN

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PARIS FOR RFC

ABIDJAN FOR RBFO

REF: A. CONAKRY A-22 OF MARCH 10, 1975 (NOTAL)

B. CONAKRY 0399 (NOTAL)

1. DESPITE OUR HOPE EXPRESSED REF B, WE HAVE NOW BEEN INFORMED BY THE GOG THAT THE EMBASSY IS EXPECTED TO COMPLY WITH THEIR REQUEST (REF A) FOR AN ESTIMATE OF PROJECTED EMBASSY EXPENSES, INCLUDING AN ESTIMATE OF PERSONAL EXPENDITURES MADE BY AMERICAN STAFF MEMBERS ON THE LOCAL ECONOMY. AT THE SAME TIME, THE GUINEAN BANK OF EXTERIOR COMMERCE ASSURED THE EMBASSY THAT THE COMPILATION OF OFFICIAL AND PERSONAL EXPENSES AND THE SUBSEQUENT OPENING OF A NEW ACCOUNT IN THE BANK TO PAY THESE EXPENSES WOULD IN NO WAY AFFECT THE PROVISIONS OF THE U.S.-GUINEAN AGRICULTURAL AGREEMENT ALLOWING FOR THE PAYMENT OF EMBASSY EXPENDITURES FROM EXCESS CURRENCY FUNDS.

2. IN ORDER TO CLARIFY THE ABOVE, AN EMBASSY OFFICER ARRANGED AN APPOINTMENT WITH THE DIRECTOR OF THE BANK OF EXTERIOR COMMERCE, AND QUESTIONED HIM AS TO THE MECHANICS OF THIS NEW ACCOUNT IN ORDER TO ENSURE THAT IT WOULD NOT CONFLICT WITH THE PROVISIONS OF THE AGRICULTURAL AGREEMENT OR WITH USG DISBURSEMENT PROCEDURES. ACCORDING TO THE DIRECTOR,
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A NEW ACCOUNT WOULD BE OPENED UP FOR EACH DIPLOMATIC

MISSION IN GUINEA. IN THE CASE OF OTHER MISSIONS, THESE ACCOUNTS WOULD BE CREDITED IN SYLIS WITH HARD CURRENCY FUNDS DEPOSITED BY THESE MISSIONS WITH THE BANK. IN THE CASE OF THE AMERICAN EMBASSY, THE NEW ACCOUNT WOULD BE CREDITED BY A TRANSFER OF SYLIS FROM THE USDO, PARIS ACCOUNTS. THE AMOUNT TO BE DEPOSITED IN THE NEW ACCOUNT WOULD BE DETERMINED BY THE EMBASSY'S ESTIMATE OF HOW MUCH SYLIS WOULD BE NEEDED TO PAY ITS LOCAL EXPENSES, INCLUDING THE PERSONAL EXPENSES OF ITS AMERICAN STAFF, OVER THE NEXT TWELVE MONTH PERIOD. IN THE EVENT THAT THE EMBASSY UNDERESTIMATED ITS PROJECTED EXPENSES, ADDITIONAL DEPOSITS COULD BE MADE INTO THE ACCOUNT UPON APPLICATION TO THE BANK. ACCOMMODATION EXCHANGE WOULD CONTINUE TO BE MADE BY THE EMBASSY CLASS B CASHIER FROM FUNDS DEPOSITED IN THE NEW ACCOUNT. THE DIRECTOR UNDERSTOOD, OF COURSE, THAT NO TRANSFERS INTO THE NEW ACCOUNT COULD BE MADE UNTIL THE USDO, PARIS, WAS INFORMED OF THE ACCOUNT DESIGNATION AND THE AMOUNT TO BE TRANSFERRED.

3. SHORTLY AFTER THIS CONVERSATION, THE EMBASSY RECEIVED A WRITTEN COMMUNICATION FROM THE BANK INFORMING US THAT A NEW ACCOUNT HAD BEEN OPENED IN OUR NAME FOR THE PURPOSE OF OFFICIAL AND PERSONAL SYLI EXPENDITURES UNDER THE DESIGNATION OF U.S. DISBURSING OFFICER ACCOUNT NO. 32-39-02-96. THE AMOUNT TO BE DEPOSITED IN THAT ACCOUNT WOULD AWAIT OUR REPLY TO THE FOREIGN MINISTRY AS TO THE TOTALITY OF OUR EXPENSES OVER THE NEXT 12 MONTH PERIOD. ENCLOSED WITH THE NOTE WERE TWO SIGNATURE SPECIMEN CARDS TO BE FILLED OUT BY THE USDO, PARIS, AND RETURNED TO THE BANK OF EXTERIOR COMMERCE.

4. AT THE SAME TIME WE RECEIVED THE NOTE AND THE SIGNATURE CARDS FROM THE BANK, THE DIRECTOR TELEPHONED THE EMBASSY WITH A REQUEST FOR INFORMATION ON OUR PRESENT AID AND USDO ACCOUNTS. SPECIFICALLY, HE SAID THAT HE HAD TO HAVE ANSWERS TO THE FOLLOWING:
(A) HOW WAS USDO ACCOUNT NO. 32-39-02-28
ORIGINALLY OPENED, I.E. WHERE DID THE MONEY COME FROM
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TO OPEN THE ACCOUNT?

(B) IF THE ACCOUNT WAS OPENED BY A TRANSFER
FROM AID ACCOUNT NO. 32-39-269 HOW WAS THE TRANSFER
MADE?

(C) IF TRANSFERS ARE NOT BEING MADE FROM AID
ACCOUNT NO 32-39-269, WHAT IS THE PURPOSE OF THE AID
ACCOUNT?

WE REPLIED THAT WE DID NOT KNOW THE ANSWERS TO HIS

QUESTIONS AND SUGGESTED THAT THE BANK ITSELF SHOULD HAVE THE INFORMATION HE NEEDED. HE ACKNOWLEDGED THAT THIS SHOULD BE THE CASE, BUT THAT THE BANK RECORDS WERE, TO PUT IT MILDLY, A BIT CONFUSED AND HE HAD TO TURN TO THE U.S. GOVERNMENT FOR THE ANSWERS. WHEN PRESSED AS TO WHY HE NEEDED THIS INFORMATION, HE REPLIED THAT IT WOULD BE TO THE BENEFIT OF BOTH OF US IF HE HAD A BETTER UNDERSTANDING OF THE ACCOUNTS.

5. AS MENTIONED IN THE REFERENCED AIRGRAM AND CABLE, IT IS QUITE CLEAR THAT THE CONTROLS BEING SET UP BY THE GOG TO REGULATE EMBASSY AND OTHER FOREIGN ORGANIZATION EXPENDITURES IN GUINEA ARE AN ATTEMPT TO HUSBAND AS MUCH HARD CURRENCY AS POSSIBLE. THERE IS LITTLE DOUBT THAT A NUMBER OF EMBASSIES IN CONAKRY HAVE BEEN PAYING ALMOST THE TOTALITY OF THEIR EXPENSES WITH SYLIS BOUGHT ON THE BLACK MARKET AT THE RATE OF 200 TO 250 SYLIS TO THE DOLLAR RATHER THAN THE OFFICIAL 20.46 TO ONE RATE. THIS EMBASSY IS EVIDENTLY INCLUDED IN THE CONTROL SYSTEM, BECAUSE THE GOG DOES NOT FEEL IT CAN MAKE EXCEPTIONS TO MEASURES DIRECTED AGAINST ALL EMBASSIES, EVEN THOUGH ALL OUR LOCAL EXPENDITURES ARE PAID FOR NOT BY HARD CURRENCY DEPOSITED AT THE BANK BUT THROUGH THE USE OF EXCESS CURRENCY DEPOSITS. WE ARE INCLINED TO ACCEPT THE GOG EXPLANATION THAT IT IS SIMPLY A BOOKKEEPING MATTER THAT WILL SIMPLIFY THE ADMINISTRATION OF THE NEW REGULATIONS.

6. ON THE ASSUMPTION THAT THE CONTROLS ENVISAGED BY THE GOG DO NOT AFFECT OUR PAYMENT OF LOCAL EXPENSES WITH EXCESS CURRENCY AND THAT THEY DO NOT CONFLICT WITH LIMITED OFFICIAL USE

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RFC ACCOUNTING AND DISBURSEMENT PROCEDURES, THE EMBASSY PROPOSES TO PREPARE A LIST OF OUR PROJECTED EXPENSES FOR THE NEXT 12-MONTH PERIOD, BROKEN DOWN IN BROAD CATEGORIES, AND SUBMIT IT TO THE FOREIGN MINISTRY AS REQUESTED. IN THE MEANTIME, THE EMBASSY WOULD APPRECIATE THE FOLLOWING:

(A) DEPARTMENT RESPONSE TO THE QUESTIONS POSED IN PARAGRAPH 4.

(B) PREPARATION OF CHECKS BY USDO, PARIS, WITH NEW ACCOUNT NO 32-39-02-96 (SEE PARAGRAPH 3), WITH AMOUNT TO BE DEPOSITED TO FOLLOW BY CABLE AFTER OUR BREAKDOWN OF PROJECTED EXPENSES FOR NEXT 12 MONTHS. A COPY OF THE BANK LETTER ESTABLISHING THE ACCOUNT AS WELL AS THE SIGNATURE SPECIMEN CARDS WILL FOLLOW BY POUCH TO

RFC PARIS.
MACDONALD

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